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Scale of assessments for the apportionment of the expenses of the United Nations

Letter dated 27 June 2002 from the Acting President of the General Assembly addressed to the Chairman of the Fifth Committee

I have the honour to transmit to you herewith a letter dated 21 June 2002 from the Chairman of the Committee on Contributions regarding its report on the requests for exception under Article 19 of the Charter of the United Nations from Burundi, the Comoros, Georgia, Guinea-Bissau, the Republic of Moldova, Sao Tome and Principe, Somalia and Tajikistan for appropriate action by the Fifth Committee (see annex)

(*Signed*) Fawzi Bin Abdul Majeed **Shobokshi**
Acting President

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Annex

Letter dated 21 June 2002 from the Chairman of the Committee on Contributions addressed to the President of the General Assembly

I have the honour to refer to rule 160 of the rules of procedure of the General Assembly, which provides that the Committee on Contributions shall advise the Assembly with regard to the application of Article 19 of the Charter of the United Nations. I also have the honour to refer to requests for exemption under Article 19 from Burundi, the Comoros, Georgia, Guinea-Bissau, the Republic of Moldova, Sao Tome and Principe, Somalia and Tajikistan, which you transmitted to me for appropriate action by the Committee.

In connection with those requests, the Committee has requested me to transmit to the General Assembly without delay the sections of its report on its sixty-second session dealing with those questions so as to facilitate early action by the Assembly. These are attached (see appendix).

(*Signed*) Ugo Sessi
Chairman, Committee on Contributions

Appendix

Sections of the report of the Committee on Contributions on its sixty-second session regarding requests for exemption under Article 19 of the Charter*

Application of Article 19 of the Charter

28. The Committee recalled its general mandate, under rule 160 of the rules of procedure of the General Assembly, to advise the Assembly on the action to be taken with regard to the application of Article 19 of the Charter. It also recalled the decisions in Assembly resolution 54/237 C regarding procedures for consideration of requests for exemption under Article 19 and the results of its recent review of this subject, including at its fifty-eighth to sixty-first sessions and at its special session in 1999.

Requests for exemption under Article 19

29. The Committee recalled that, in its resolution 54/237 C, the General Assembly, inter alia, had urged all Member States in arrears requesting exemption under Article 19 to provide the fullest possible supporting information, including information on economic aggregates, government revenues and expenditure, foreign exchange resources, indebtedness, difficulties in meeting domestic or international financial obligations and any other information that might support the claim that failure to make necessary payments had been attributable to conditions beyond the control of the Member States. The Assembly also decided that requests for exemption under Article 19 must be submitted by Member States to the President of the General Assembly at least two weeks before the session of the Committee so as to ensure a complete review of the requests.

30. The Committee noted that, on the basis of the latter provision, requests for exemption under Article 19 should have been received by the President of the General Assembly by 17 May 2002 for consideration by the Committee at its sixty-second session. It also noted that an announcement to that effect was included in the *Journal of the United Nations* from 1 March to 17 May 2002. Seven requests for exemption under Article 19 were received by the time specified in the resolution and one subsequently. This compares with 3 received in 2001 within the time frame specified, 7 in 2000 and 11 in 1999.

31. **The Committee noted that four of the Member States requesting exemption under Article 19 had presented multi-year payment plans for the payment of their arrears and encouraged all Member States requesting an exemption under Article 19 to consider presenting a payment plan if they are in a position to do so, taking into account the recommendations in paragraphs 17 to 23 above.**

32. In considering the requests presented within the time frame specified by the General Assembly, the Committee had before it information provided by the seven Member States concerned and the Secretariat. It also met with representatives of the

* The full report of the Committee will be issued as *Official Records of the General Assembly, Fifty-seventh session, Supplement No. 11* (A/57/11).

Member States, as well as a representative of the Organization of African Unity (OAU) and representatives of relevant units of the Secretariat.

33. **In order to facilitate early action on these requests for exemption under Article 19 and in accordance with its past practice, the Committee authorized its Chairman to convey to the General Assembly without delay the related section of its report.**

1. **Burundi**

34. The Committee had before it the text of a letter dated 21 May 2002 from the President of the General Assembly to the Chairman of the Committee on Contributions, transmitting a letter dated 21 May 2002 from the Permanent Representative of Burundi to the United Nations, in which he requested an exemption for Burundi under Article 19 of the Charter.

35. **The Committee recalled that, in its resolution 54/237 C, the General Assembly decided that requests for exemption under Article 19 must be submitted by Member States to the President of the General Assembly at least two weeks before the Committee's session so as to ensure a complete review of the requests. As the Permanent Representative's letter was received less than two weeks before its session, the Committee decided that it could take no action on Burundi's request.**

2. **Comoros**

36. The Committee had before it the text of a letter dated 15 May 2002 from the President of the General Assembly addressed to the Chairman of the Committee on Contributions, transmitting a letter dated 13 May 2002 from the Chargé d'affaires a.i. of the Permanent Mission of the Comoros to the United Nations. It also heard an oral representation by the Chargé d'affaires a.i. of the Permanent Mission of the Comoros to the United Nations.

37. In its written and oral representations, the Comoros made reference to the devastating impact of the separatist crisis in Anjouan, one of the four islands of the Comoros archipelago, on the fragile economic, social and political situation of the country. The Fomboni Agreement between the Government and separatist leaders, signed in February 2001, provided for a new Comorian State with a new Constitution and institutions. The establishment of the new Comorian State, to be called the Union of the Comoros, was accepted by a referendum held in December 2001 and an interim Government of transition was established in January 2002.

38. Despite this progress, the interim Government is facing obstacles to the achievement of its mandate and the country's very limited resources are being devoted to the establishment of the country's new institutions. In the circumstances, it was not possible to say now whether the Comoros would be able to make any payments to the United Nations this year.

39. The Committee noted that the Comoros was negotiating a repayment schedule for its outstanding contributions to OAU. It was informed, however, that it was not possible at this stage to say whether a similar schedule could be presented to the United Nations. The Committee also noted the serious economic problems of the country, which was heavily dependent on a few export crops and faced high rates of

poverty. This, together with the separatist crisis, had a serious effect on government revenues.

40. Accordingly, the Committee concluded that the failure of the Comoros to pay the full minimum amount necessary to avoid the application of Article 19 was due to conditions beyond its control. It therefore recommended that the Comoros be permitted to vote until 30 June 2003.

3. Georgia

41. The Committee had before it the text of a letter dated 14 May 2002 from the President of the General Assembly addressed to the Chairman of the Committee on Contributions, transmitting a letter dated 14 May 2002 from the Permanent Representative of Georgia to the United Nations, transmitting a letter dated 4 May 2002 from the Minister for Foreign Affairs of Georgia. The Committee also heard an oral representation from a representative of Georgia.

42. In its written and oral representations, Georgia referred to the serious impact on its economy and government budget of assisting 300,000 refugees and internally displaced persons from the "frozen conflicts" in Abkhazia and Tskhinvali. Related costs and other social expenses accounted for about 25 per cent of State budget expenditures. In addition, the country had suffered severe droughts in 1998, 2000 and 2001, with crop failures and energy shortages. Other negative factors had been an increase in energy import prices and the 2001 financial crisis in Turkey, Georgia's largest trading partner. In addition, a major earthquake hit the capital, Tbilisi, on 25 April 2002. This left many people homeless and damaged important administrative buildings, health facilities and schools. Georgia also recalled that its arrears to the United Nations reflected in part the unfair rates of assessment that had been fixed following the dissolution of the Union of Soviet Socialist Republics.

43. Despite all these factors, Georgia emphasized that it placed the greatest importance on its cooperation with the United Nations and remained committed to meeting its financial obligations to the Organization. Current problems obliged it to revise the schedule of payments to the United Nations that it had transmitted to the General Assembly in 2001. Information on the revised and previous schedules and payments by Georgia are presented below:

	Schedule proposed in:				
	2000	*2001*	*2002*		
	(United States dollars)			*New assessments*	*Payments*
2000	180 000			116 120	131 000
2001	707 104	801 390		87 686	300 000
2002	707 104	711 549*	671 818	70 363	0
2003	707 104	711 549*	1 260 272*		
2004	1 060 656	1 067 324*	1 260 272*		
2005	1 060 656	1 067 324*	1 260 272*		
2006	1 414 208	1 423 094*	1 260 272*		
2007	1 414 208	1 423 094*	1 260 272*		

* Plus contributions for the current year.

Despite urgent requirements following the earthquake in Tbilisi, the Government expected to meet the scheduled payment in 2002 and hoped to be able to avoid further revisions of the schedule in future.

44. The Committee noted the continuing problems facing Georgia, including the continuing separatist problems and conflict in neighbouring regions, which had a serious impact on the economy and Government revenues, as well as on Government expenditures. It also noted that Georgia was working to resolve problems with its external debt and that, in the longer term, there were promising possibilities in the energy sector and greater donor interest in the region.

45. The Committee noted Georgia's stated commitment to meet its financial obligations to the United Nations and encouraged it to make all efforts to do so.

46. **Based on the information provided, the Committee concluded that the failure of Georgia to pay the full minimum amount necessary to avoid the application of Article 19 was due to conditions beyond its control. It therefore recommended that Georgia be permitted to vote until 30 June 2003.**

4. Guinea-Bissau

47. The Committee had before it the text of a letter dated 19 September 2001 from the President of the General Assembly addressed to the Chairman of the Committee on Contributions, transmitting a letter dated 5 September 2001 from the Permanent Representative of Guinea-Bissau to the United Nations, the text of a letter dated 5 September 2001 from the Permanent Representative of Guinea-Bissau to the United Nations addressed to the Chairman of the Fifth Committee, a letter dated 5 October 2001 from the President of the General Assembly addressed to the Permanent Representative of Guinea-Bissau to the United Nations, a letter dated 2 October 2001 from the Chairman of the Fifth Committee addressed to the Permanent Representative of Guinea-Bissau to the United Nations and a letter dated 27 September 2001 from the Chairman of the Committee on Contributions addressed to the President of the General Assembly. It also heard an oral representation by the Permanent Representative of Guinea-Bissau to the United Nations.

48. In its written and oral representations, Guinea-Bissau emphasized the disastrous impact in 1998 of armed conflict in the country, which resumed in 1999, on what was already one of the poorest countries in the world. As a result of the conflict, 25 per cent of the population was internally displaced or had left the country. The country's economy, which is heavily dependent on agriculture and fisheries, had also suffered from the conflict. The fishery industry was dominated by illegal fishing, and this year's cashew crop, the main source of State revenues, was projected to drop by half. Government revenue was currently running at only about $300,000 per month, and the Government had had serious difficulty in meeting its financial obligations internally and externally. While the Government wished to meet its financial obligations to the United Nations, it was currently not possible for it to do so.

49. The Committee noted that the conflict in Guinea-Bissau was over but that it had had a great impact on the economic situation, which was very grave. Government revenue was low and unstable, as it was primarily based on the cashew crop, and covered only about one third of budget requirements. The country was

heavily dependent on foreign assistance, and efforts were being made to mobilize further help. Although the International Monetary Fund (IMF) had suspended its programme for Guinea-Bissau and donors were showing wariness, efforts were being made to respond to related concerns.

50. The Committee noted that Guinea-Bissau was negotiating a repayment schedule for its outstanding contributions to OAU. It was informed, however, that, while the Government would like to consider a schedule of payments of its arrears to the United Nations, it was not in a position to do so, given its present situation.

51. The Committee concluded that the failure of Guinea-Bissau to pay the full minimum amount necessary to avoid the application of Article 19 was due to conditions beyond its control. It therefore recommended that Guinea-Bissau be permitted to vote until 30 June 2003.

5. The Republic of Moldova

52. The Committee had before it the text of a letter dated 15 May 2002 from the President of the General Assembly addressed to the Chairman of the Committee on Contributions, transmitting a letter dated 15 May 2002 from the Permanent Representative of the Republic of Moldova to the United Nations requesting an exemption under Article 19. It also had before it the text of a letter dated 16 May 2002 from the Permanent Representative of the Republic of Moldova to the United Nations addressed to the Chairman of the Committee on Contributions. It also heard an oral representation from a representative of the Republic of Moldova.

53. In its written and oral representations, the Republic of Moldova made reference to the continuing separatist crisis in the eastern regions. This had led to a serious loss of revenue for the Government, estimated at about $200 million. As a landlocked, low-income country heavily dependent on energy imports, the Republic of Moldova had also been vulnerable to external developments. A sharp increase in the price of imported energy had had a serious impact on the economy, as had the economic and financial crisis in the Russian Federation in 1998. Although there had been some improvement in the economy, the level of external debt was a serious problem and the Government was in negotiations with its creditors. Following negotiations with the World Bank, the Government was also hopeful that a Structural Adjustment Credit (SAC-III) would be approved soon. This was a precondition for the resumption of credits from IMF, which had been blocked in 2001. While the Republic of Moldova remained committed to honouring its financial obligations to the United Nations, it was not in a position to do so immediately.

54. The Committee noted the serious economic, social and political problems facing the Republic of Moldova. It recalled that the Republic of Moldova had presented a revised schedule of payments in 2001 and that it had paid $160,132 in 2001 and $401,413 so far in 2002, as reflected in the table below:

	Schedule proposed in:				
	1996	1999	2001		
	(United States dollars)			New assessments	Payments
1996	1 000 000			1 197 578	500 000
1997	1-1.2 million			1 074 490	1 984 362
1998	1-1.2 million			550 207	1 754 730
1999	1-1.2 million			233 775	0
2000	1-1.2 million	500 000		161 436	289 503
2001	1-1.2 million	558 947	180 000	38 395	160 132
2002	1-1.2 million	700 000	500 000	28 147	401 413
2003		700 000	800 000		
2004		700 000	820 000		
2005			1 000 000		

The Committee welcomed the efforts of the Republic of Moldova to meet its financial obligations to the United Nations and encouraged it to continue such efforts.

55. Based on its review of the information provided, the Committee concluded that the failure of the Republic of Moldova to pay the full minimum amount necessary to avoid the application of Article 19 was due to conditions beyond its control. It therefore recommended that the Republic of Moldova be permitted to vote until 30 June 2003.

6. Sao Tome and Principe

56. The Committee had before it the text of a letter dated 17 May 2002 from the Acting President of the General Assembly addressed to the Chairman of the Committee on Contributions, transmitting a letter dated 17 May 2002 from the Chargé d'affaires a.i. of the Permanent Mission of Sao Tome and Principe to the United Nations. It also heard an oral representation by the Chargé d'affaires a.i. of the Permanent Mission of Sao Tome and Principe to the United Nations.

57. In its written and oral representations, Sao Tome and Principe recalled that it had been one of the Member States most adversely affected by the 0.01 per cent floor in United Nations scales of assessments prior to 1998. Its population was only 130,000, and incomes were very low. External debt of about $300 million was proportionately very high, and monetary reserves were low. A new Government had been elected recently and efforts were being made to reach agreement with IMF, following suspension of payments under a previously agreed programme.

58. The Government indicated its intention to meet its financial obligations to the United Nations. In that context, it put forward the following plan of payment:

Year	Amount (United States dollars)
2002	27 237
2003	42 237
2004	59 237
2005	74 237
2006	89 237
2007	114 237
2008	134 237
2009	153 752

It confirmed its intention to make the first payment under the plan by the next session of the General Assembly.

59. Some members expressed doubts about the case of Sao Tome and Principe for an exemption, given its relative stability and absence of natural disasters or other exceptional circumstances. They noted that Sao Tome and Principe faced penalties at OAU as a result of non-payment of contributions. They recalled that Sao Tome and Principe had made no payments since 1996. Other members noted the severe economic problems and poverty besetting Sao Tome and Principe and the small size of its economy and considered that its failure to pay the amounts necessary to avoid the application of Article 19 was clearly beyond its control. The Committee noted that the bulk of Sao Tome and Principe's arrears was attributable to the old floor.

60. The Committee welcomed the intention of Sao Tome and Principe to meet its financial obligations to the United Nations, as evidenced by its payment plan.

61. The Committee noted that a new Government was in place following presidential elections in 2001 and legislative elections in 2002, and that efforts were being made to establish policies for tackling the country's real economic difficulties. While there were prospects of significant oil revenues, these were unlikely to be available until 2005. In the meantime, the economy depended on agriculture and fisheries, and there was a grave problem of poverty. The development of tourism was hindered by health concerns and the high cost of travel.

62. **Having reviewed the information provided, the Committee concluded that the failure of Sao Tome and Principe to pay the full minimum amount necessary to avoid the application of Article 19 was due to conditions beyond its control. It therefore recommended that Sao Tome and Principe be permitted to vote until 30 June 2003.**

7. Somalia

63. The Committee had before it the text of a letter dated 16 May 2002 from the President of the General Assembly addressed to the Chairman of the Committee on Contributions, transmitting a letter dated 16 May 2002 from the Permanent Representative of Somalia to the United Nations. It also heard an oral representation by the Permanent Representative of Somalia to the United Nations.

64. In its written and oral representations, Somalia referred to the civil war that had broken out in 1990, which had led to the collapse of central authority and the

destruction of national institutions and infrastructure. At a civil society conference in Arta, Djibouti, in August 2000, a Parliament and Head of State had been elected and a Transitional National Government had been formed for a period of two years. The Government did not currently exercise control over all its territory, with warlords in control of some areas and a separatist movement in the north. In addition, the assets of the country's major bank had been frozen following the events of 11 September 2001, a number of trading partners had banned livestock exports from Somalia and the biggest commercial market in Mogadishu had burned down in April, with serious economic losses. The country was also suffering from a serious drought. Accordingly, Somalia had been unable to pay its contributions to the United Nations.

65. The Committee noted the daunting problems facing Somalia. Despite efforts by the Government and the international community, the political and security situation remained very difficult and the Government had few sources of revenue for any purpose. The Committee also noted that OAU had suspended sanctions on Somalia for non-payment of its contributions without the prior negotiation of a payment schedule. The Committee noted that the circumstances facing Somalia were likely to persist for some time and that short-term action to clear its arrears was, as a consequence, highly unlikely.

66. The Committee concluded that the failure of Somalia to pay the full minimum amount necessary to avoid the application of Article 19 was due to conditions beyond its control. It therefore recommended that Somalia be permitted to vote until 30 June 2003.

8. Tajikistan

67. The Committee had before it the text of a letter dated 1 May 2002 from the President of the General Assembly addressed to the Chairman of the Committee on Contributions, transmitting a letter dated 30 April 2002 from the Permanent Representative of Tajikistan to the United Nations. It also heard an oral representation by the Permanent Representative of Tajikistan to the United Nations.

68. In its written and oral representations, Tajikistan referred to its continuing security problems. Although the situation in Afghanistan, a neighbouring country, was more stable, there was a significant problem with smuggling of drugs and arms. The Government had to devote resources to dealing with this problem and was receiving help from neighbouring and other countries. Although the economic situation had improved somewhat, this followed a period of conflict and natural disasters, and the country still had grave problems of poverty and an external debt of more than $1 billion. Agreement had been reached with its main creditors on rescheduling part of this debt.

69. Despite its continuing problems, Tajikistan placed great importance on its relationship with the United Nations and its specialized agencies. It recalled that Tajikistan's initial assessment rate, following the dissolution of the Union of Soviet Socialist Republics, had been unfairly high, and this explained the continuing problem of arrears to the United Nations. Despite this, Tajikistan had submitted a schedule of payments to the General Assembly in 2000 and was meeting and exceeding that schedule.

70. The Committee noted the continuing problems facing Tajikistan. It was one of only four countries in which the United Nations maintained a peace-building office. Economically, Tajikistan met many criteria as a least developed country and external debt stood at more than 90 per cent of gross domestic product. More than 80 per cent of the population was below the poverty line and the country was landlocked, with limited export outlets. Although a hydropower project provided some promise for the future, the country's economic situation remained grave.

71. The Committee noted with appreciation that Tajikistan's payments were actually exceeding the payment schedule that it had submitted to the General Assembly in 2000, as indicated below, and welcomed an indication that it would continue to do so, if possible.

	Schedule proposed in 2000	*New assessments*	*Payments*
2000	65 251	63 507	200 866.00
2001	67 822	18 727	295 000.00
2002	67 822	14 068	135 926.65
2003	67 822		
2004	67 822		
2005	67 822		
2006	203 466		
2007	203 466		
2008	203 467		
2009	203 467		
2010	203 467		

72. **Based on the information provided, the Committee concluded that the failure of Tajikistan to pay the full minimum amount necessary to avoid the application of Article 19 was due to conditions beyond its control. It therefore recommended that Tajikistan be permitted to vote until 30 June 2003.**